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**Education Committee**

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**HB 2152**

**Brief Description:** Regarding the financial literacy public-private partnership.

**Sponsors:** Representatives Roach, Santos, Shabro, Anderson, Dunn, Rodne, Ormsby and Haigh.

**Brief Summary of Bill**

- Changes the date for completion of certain tasks by the Washington Financial Literacy Public-Private Partnership (Partnership).
- Directs the Partnership to develop essential academic learning requirements (EALRs) for personal finance and prepare recommendations to include financial literacy principles in the Washington Assessment of Academic Learning (WASL).
- Appropriates \$50,000 dollars from the state general fund to support the work of the Partnership.

**Hearing Date:** 2/28/05

**Staff:** Sydney Forrester (786-7120).

**Background:**

"Financial literacy" is the understanding of basic concepts of money, and the skills needed to manage personal finances during the course of an individual's lifetime. The concepts include how compound interest works, the meaning of net worth, the effects of annual percentage rates on credit cards, discernment of appropriate investments, price and term comparisons, and planning ahead for major transactions and life events, such as buying a home or car, or funding college or retirement.

In the 2004 legislative session, the Legislature created the Partnership consisting of 12 to 14 members, including legislators, financial services representatives, educators and representatives from the Office of the Superintendent of Public Instruction (OSPI) and the Department of Financial Institutions.

The Partnership is charged with developing a working definition of "financial literacy," identifying strategies to promote the use of financial literacy curricula in schools, serving as a resource, and seeking outcome measures to determine the effectiveness of educational efforts. The date of June 30, 2005, was established for completion of these tasks. The Partnership was directed to submit its final report to the Legislature and educational stakeholders by June 2007.

The Washington Financial Literacy Education Partnership Account (Account) also was created to support the Partnership and its efforts to provide learning opportunities for students and professional development for educators. Public funds and donations may be included in the account. Money may be withdrawn from the account by the OSPI or the superintendent's designee. The partnership expires on June 30, 2007.

**Summary of Bill:**

The date for the Partnership's completion of tasks is extended from June 30, 2005, to the same date in 2007. Four new tasks are assigned, and the Partnership is directed to:

- 1) Identify and make available to school districts a template for resource materials to aid in guiding student culminating projects with a focus on personal finance;
- 2) Develop EALRs for personal finance;
- 3) Prepare recommendations for including financial literacy principles in the WASL; and
- 4) Identify the outcome measures expected from school districts participating in financial literacy education programs.

To the extent funds are appropriated or available, the Superintendent of Public Instruction and the Partnership must make available to school districts a list of financial literacy skills and knowledge, instructional materials, assessments, and other relevant information. School districts are encouraged to provide students with opportunities to master financial literacy skills and knowledge.

**Appropriation:** The sum of \$50,000 is appropriated from the state general fund to the Washington Financial Literacy Public-Private Partnership; \$25,000 for the fiscal year ending June 30, 2006, and \$25,000 for the fiscal year ending June 30,2007.

**Fiscal Note:** Not requested.

**Effective Date:** Bill takes effect immediately.